

104TH CONGRESS
1ST SESSION

H. R. 1431

To amend the Internal Revenue Code of 1986 to repeal the 30-percent of gross income limitation applicable to regulated investment companies.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 1995

Mr. FLANAGAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the 30-percent of gross income limitation applicable to regulated investment companies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REPEAL OF 30-PERCENT OF GROSS INCOME**
4 **LIMITATION APPLICABLE TO REGULATED IN-**
5 **VESTMENT COMPANIES.**

6 (a) GENERAL RULE.—Subsection (b) of section 851
7 of the Internal Revenue Code of 1986 (relating to limita-
8 tions) is amended by striking paragraph (3), by adding
9 “and” at the end of paragraph (2), and by redesignating
10 paragraph (4) as paragraph (3).

1 (b) TECHNICAL AMENDMENTS.—

2 (1) The material following paragraph (3) of sec-
3 tion 851(b) of such Code (as redesignated by sub-
4 section (a)) is amended—

5 (A) by striking “paragraphs (2) and (3)”
6 and inserting “paragraph (2)”, and

7 (B) by striking the last sentence thereof.

8 (2) Subsection (c) of section 851 of such Code
9 is amended by striking “subsection (b)(4)” each
10 place it appears (including the heading) and insert-
11 ing “subsection (b)(3)”.

12 (3) Subsection (d) of section 851 of such Code
13 is amended by striking “subsections (b)(4)” and in-
14 serting “subsections (b)(3)”.

15 (4) Paragraph (1) of section 851(e) of such
16 Code is amended by striking “subsection (b)(4)” and
17 inserting “subsection (b)(3)”.

18 (5) Paragraph (4) of section 851(e) of such
19 Code is amended by striking “subsections (b)(4)”
20 and inserting “subsections (b)(3)”.

21 (6) Section 851 of such Code is amended by
22 striking subsection (g) and redesignating subsection
23 (h) as subsection (g).

1 (7) Subsection (g) of section 851 of such Code
2 (as redesignated by paragraph (6)) is amended by
3 striking paragraph (3).

4 (8) Section 817(h)(2) of such Code is amend-
5 ed—

6 (A) by striking “851(b)(4)” in subpara-
7 graph (A) and inserting “851(b)(3)”, and

8 (B) by striking “851(b)(4)(A)(i)” in sub-
9 paragraph (B) and inserting “851(b)(3)(A)(i)”.

10 (9) Section 1092(f)(2) of such Code is amended
11 by striking “Except for purposes of section
12 851(b)(3), the” and inserting “The”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years ending after the
15 date of the enactment of this Act.

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